

# Emirates NBD Investor Presentation

November 2014



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## Operating Environment

Emirates NBD Profile

Financial and Operating Performance

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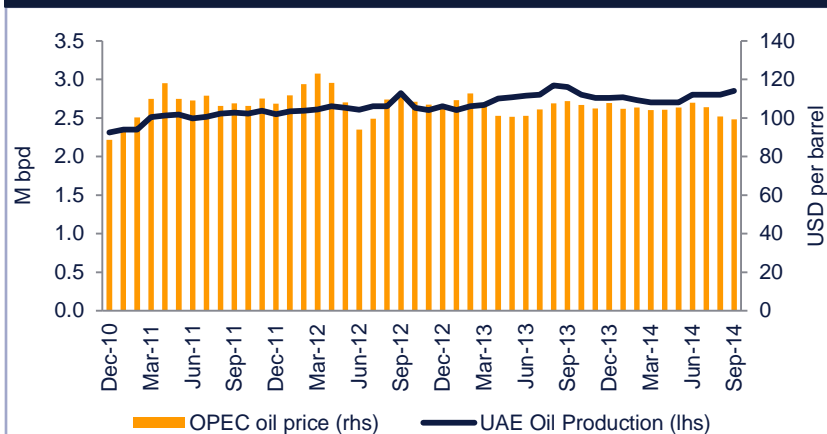
Appendix

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## Highlights

- **2014 growth estimates at 5%.** Oil production has been flat y/y in the year-to-September, lower than the forecast earlier this year
- **Non-oil sector growth** accelerated, according to Purchasing Managers' Index, which reached record highs in Q3, on the back of strong output and new order growth, reflecting improved domestic and external demand
- Inflation accelerated on higher housing costs and rising input prices reaching 2.4% y/y in August and averaging 2% since January, below the 3% forecast for inflation in 2014 from 1.1% in 2013

## UAE Oil production



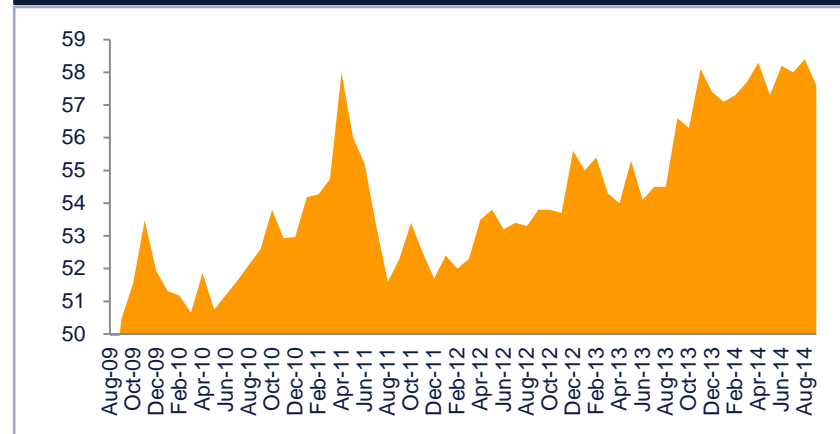
Source: Bloomberg, Emirates NBD Research

## Real GDP Growth Forecasts

Country	2010	2011	2012	2013	2014F	2015F
<b>UAE</b>	<b>1.6%</b>	<b>4.9%</b>	<b>4.7%</b>	<b>5.2%</b>	<b>5.0%</b>	<b>4.8%</b>
China	10.4%	9.3%	7.7%	7.7%	7.0%	7.3%
Eurozone	2.0%	1.6%	-0.7%	-0.4%	0.5%	1.5%
Hong Kong	6.8%	4.8%	1.5%	2.9%	3.2%	3.5%
India	9.4%	7.7%	4.8%	4.7%	4.8%	5.5%
Japan	4.7%	-0.5%	1.5%	1.5%	2.5%	1.5%
Singapore	15.4%	5.3%	2.5%	3.9%	3.8%	3.9%
UK	1.7%	1.1%	0.3%	1.7%	2.5%	2.0%
US	2.5%	1.8%	2.8%	1.9%	3.0%	3.5%
Saudi	7.4%	8.6%	5.8%	3.8%	4.7%	4.0%

Source: Bloomberg, Emirates NBD Research

## UAE PMI – Non Oil Private Sector Activity

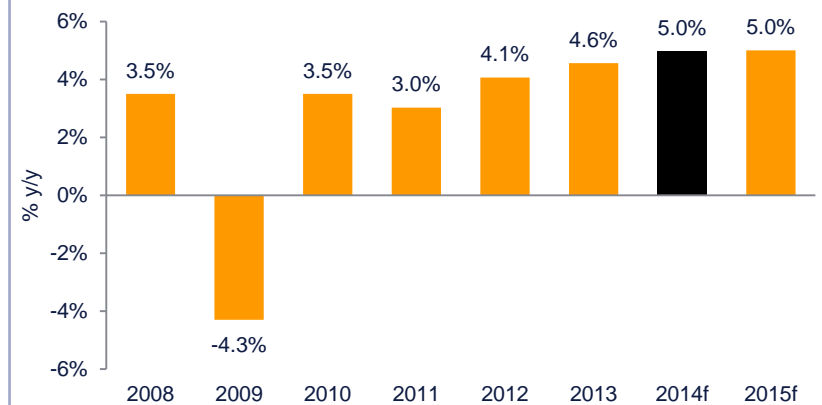


Source: Markit/HSBC

## Highlights

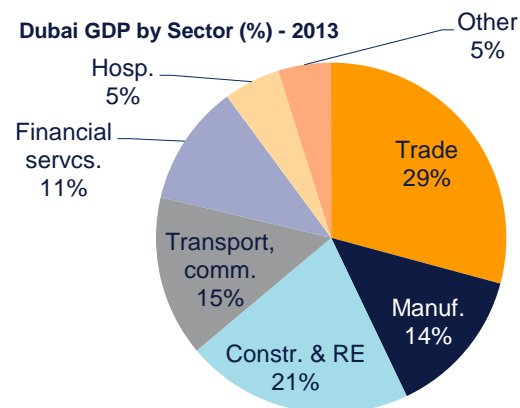
- **Dubai's economy expanded 4.6% in 2013** as manufacturing, hospitality and transport and logistics expanded robustly. The construction sector also contributed positively to growth for the first time since 2008, albeit marginally at 1.3% y-o-y
- **GDP growth expected to accelerate to 5% in 2014** on the back of continued growth in tourism and hospitality, boosting trade, transport and associated services as well as a faster recovery in the construction sector
- Infrastructure spending ahead of Expo 2020 will remain the main driver of growth in the construction sector, although the delivery of recently launched residential developments will also contribute over the next few years

## Dubai: Real GDP growth



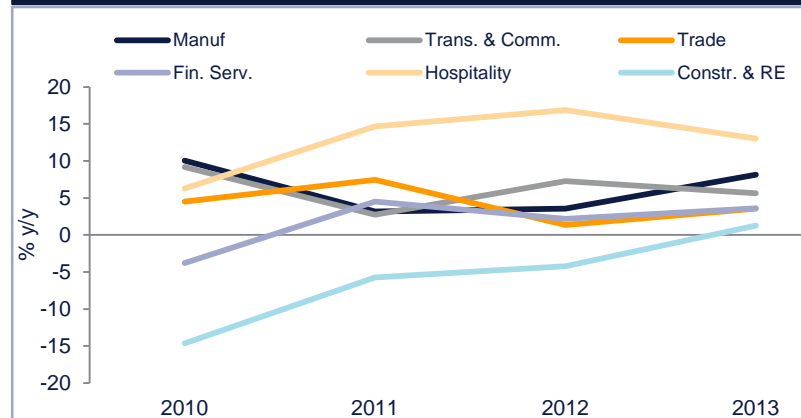
Source: Dubai Statistics Centre, Emirates NBD Research

## Composition of Dubai GDP



Source : Dubai Statistics Centre, Emirates NBD Research

## Dubai's fastest growing sectors

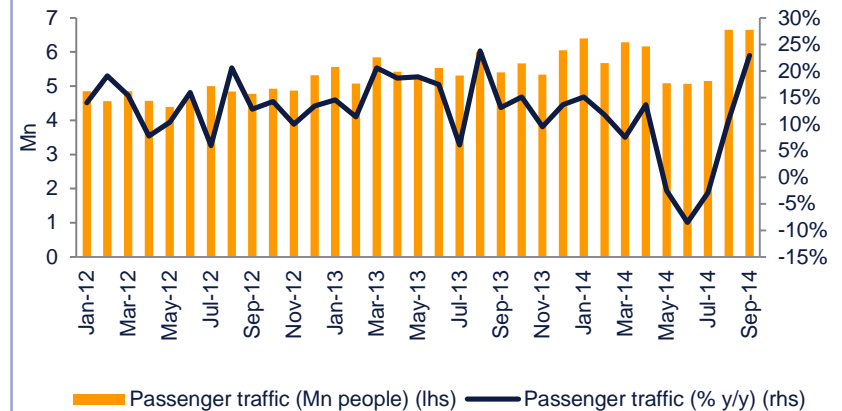


Source: Dubai Statistics Centre, Emirates NBD Research

## Highlights

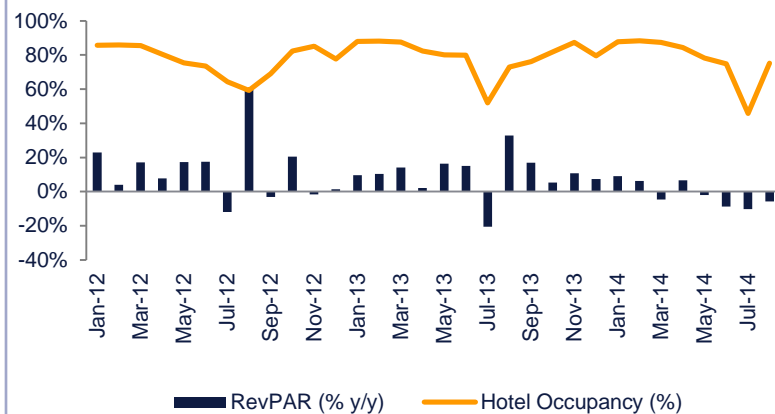
- **Tourism continues to be a key driver of Dubai's growth** with Dubai International, the world's second busiest international hub enjoying strong passenger growth of 5.7% in Jan-Aug 2014 over the same period last year, despite major runway refurbishment in May-July
- Growth has been driven by new partnerships (for example with Qantas), network expansion and the opening of new routes to Eastern Europe, North & South America, Australia and Asia
- **Hotel occupancy averaged 77.4% in Jan-Aug 2014**, down from 79.1% last year. Increased supply of hotel rooms as Dubai adds capacity ahead of 2020 is likely to keep hotel occupancy rates under pressure until demand catches up
- Dubai's non-oil foreign trade value declined -3.7% y/y in H1 2014

## Dubai Airports passenger traffic



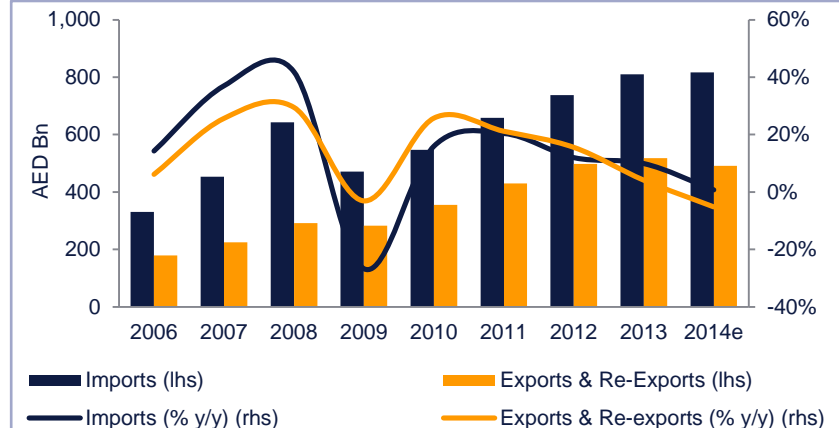
Source: Dubai Airports, Emirates NBD Research

## Hotel occupancy and RevPAR



Source: STR Global, Emirates NBD Research

## Dubai: External trade growth trends

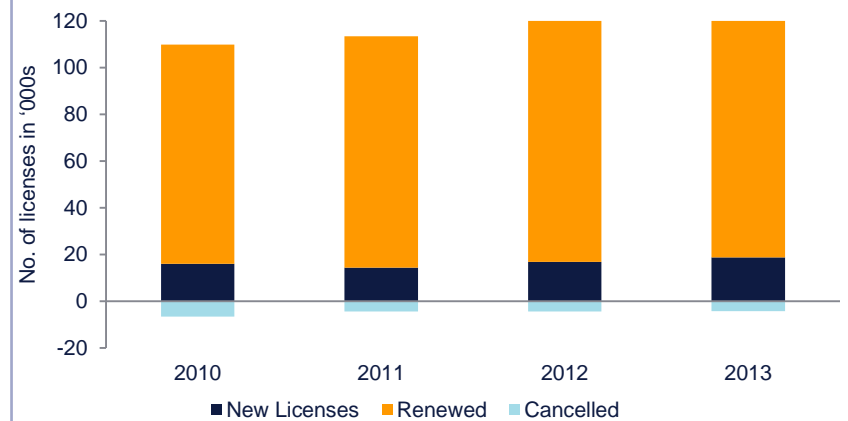


Source: Dubai Statistics Centre

## Highlights

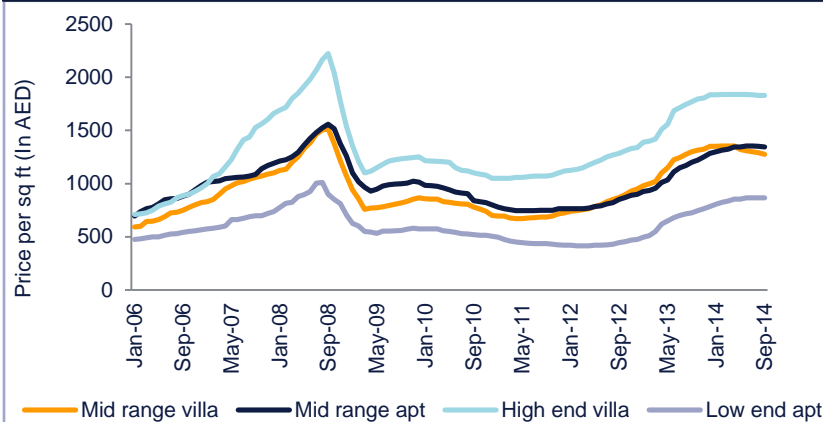
- **Residential real estate prices have continued to consolidate in Q3 2014, and annual price growth has slowed as expected this year.** Mid-range villa prices declined on an annual basis in September for the first time since November 2011. Higher transaction fees and mortgage caps have helped to cool the market.
- **The medium term outlook for residential real estate prices is strong** however, with Phidar Advisory forecasting a shortage of residential units in Dubai by the end of 2018.
- **Commercial property lease rates continue to rise in Q3 2014, but at a slightly slower pace.** Prime office space prices rose 17.5% y/y in Q3, and secondary commercial space rose 21.1% y/y.

## Business Licenses issued\*



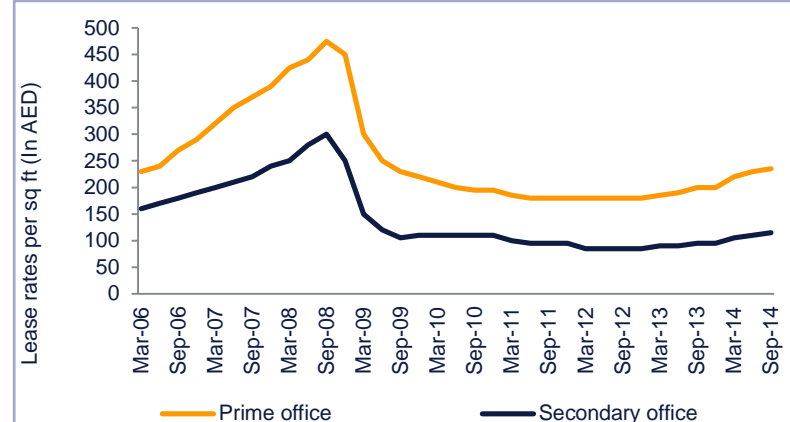
Source: DSC, \*Licenses issued by DED only (excludes Freezones)

## Dubai Residential Property Prices



Source: Cluttons via Bloomberg, Emirates NBD Research

## Dubai Commercial Property Lease Rates

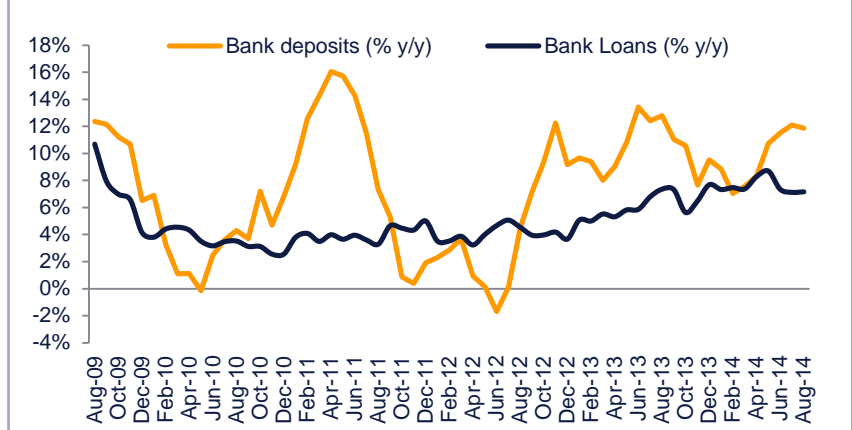


Source: Cluttons via Bloomberg, Emirates NBD Research

## Highlights

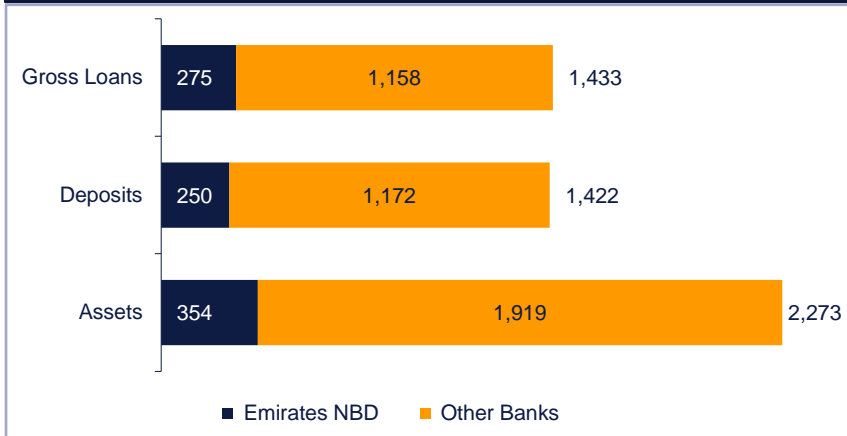
- **UAE Banking sector is the largest by assets in the GCC;** sector is dominated by 23 local banks which account for more than 75% of banking assets; 28 foreign banks account for the remainder
- **Total bank loan growth has been relatively stable, reaching 7.2% y/y in August.** Total bank deposit growth accelerated to 11.9% y/y in August, up from 7.0% in February. The (gross) loan to deposit ratio eased to 94.8% (Aug) from ~100% at end-2013
- In the past couple of years the Central Bank of the UAE has sought to play a stronger role in the oversight and governance of the Banking Sector in the UAE

## Bank deposit and loan growth\*

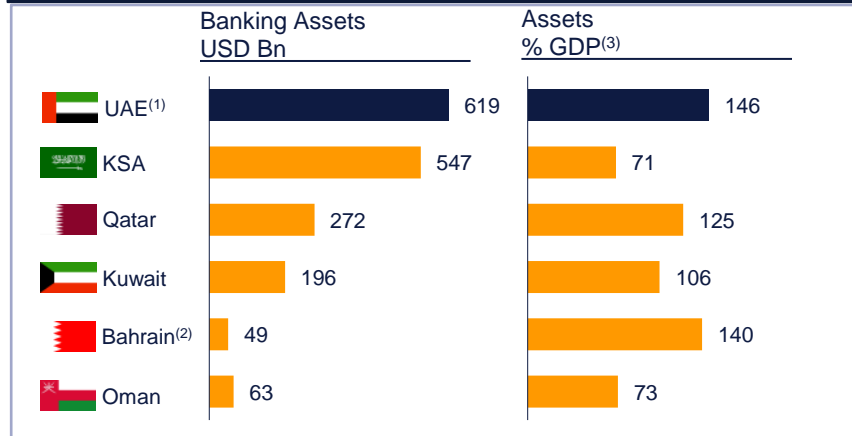


Source: UAE Central Bank, \*loan growth gross of provisions

## Composition of UAE Banking Market (AED Bn)



## GCC Banking Market



Source: UAE Central Bank Statistics as at Aug 2014, ENBD data as of Q3 2014.

1) Includes Foreign Banks; 2) Excludes Foreign Banks; 3) GDP data is for FY 2014 forecasted. Oman and Bahrain as at Jul 2014; UAE, Kuwait and Saudi as at Aug 2014; Qatar as at Sep 2014; Source: UAE Central Bank; National Central Banks and Emirates NBD forecasts



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- One of the largest financial institutions (by asset size) in the GCC

- Flagship bank for Dubai Government

- 56% owned by Dubai Government

- Consistently profitable; despite significant headwinds during the global financial crisis

- Fully fledged, diversified financial services offering

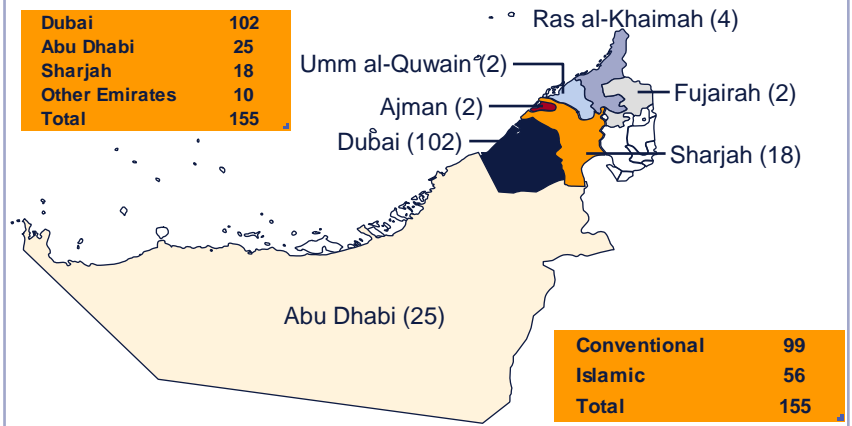
- Ever increasing presence in the UAE, the GCC and globally

- Well positioned to grow and deliver outstanding value to its shareholders, customers, and employees

## A leading bank in UAE

- Market share in UAE (at 30 Sep 2014):**
  - Assets c.15.6%; Loans c.19.2%
  - Deposits c.17.6%
- Retail market shares (estimated at 30 Sep 2014):**
  - Personal loans c.14%
  - Home loans c.4%
  - Auto loans c.15%
  - Credit cards c.17%
  - Debit cards c.24%
- Fully fledged financial services offerings** across retail banking, private banking, wholesale banking, global markets & trading, investment banking, brokerage, asset management, merchant acquiring and cards processing

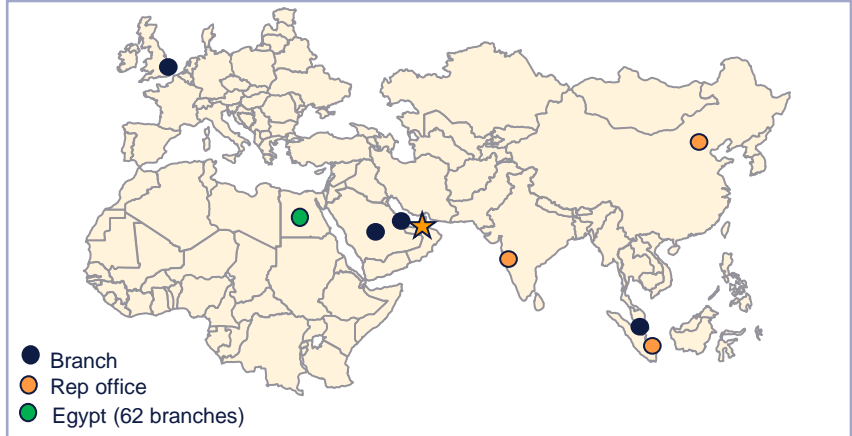
## Largest Branch Network in the UAE



## Credit Ratings

	Long Term	Short Term	Outlook
	Baa1	P-2	Stable
	A+	F1	Stable
	A	A1	Stable

## International Presence

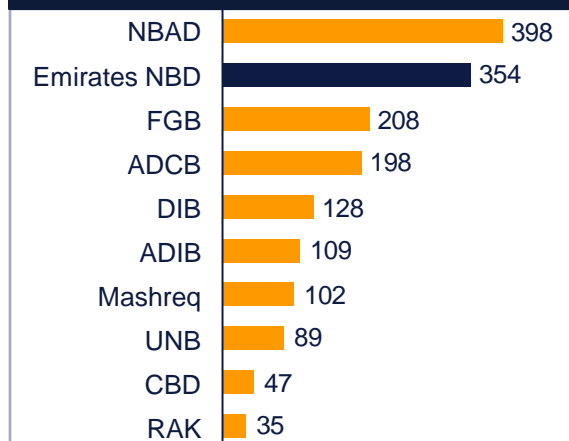


# Emirates NBD is one of the Largest Banks in the UAE and GCC

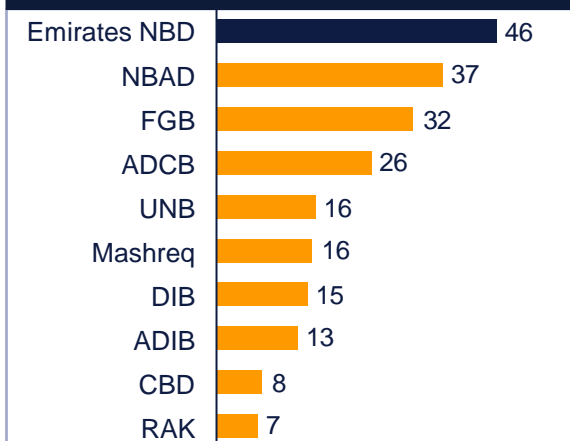
as at 30 Sep 2014



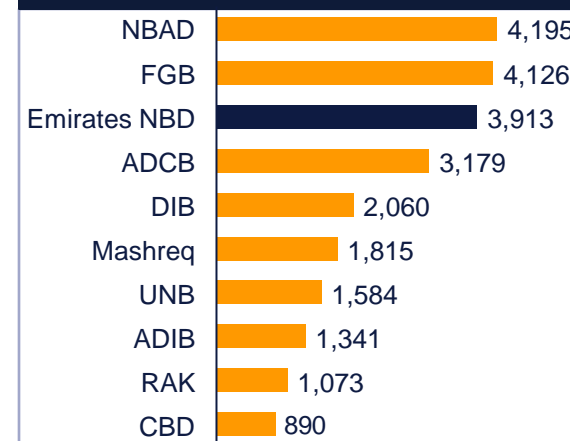
## UAE Ranking by Assets (AED Bn)



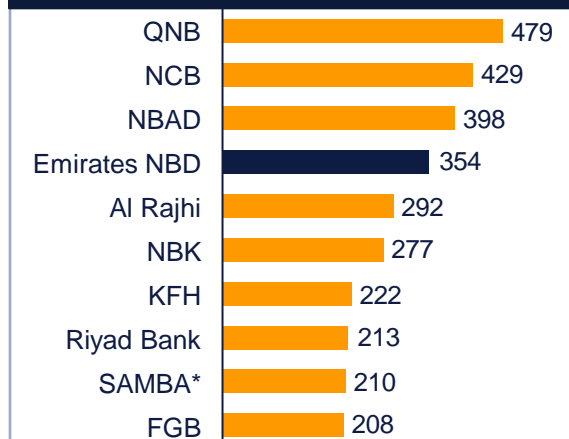
## UAE Ranking by Shareholder's Equity (AED Bn)



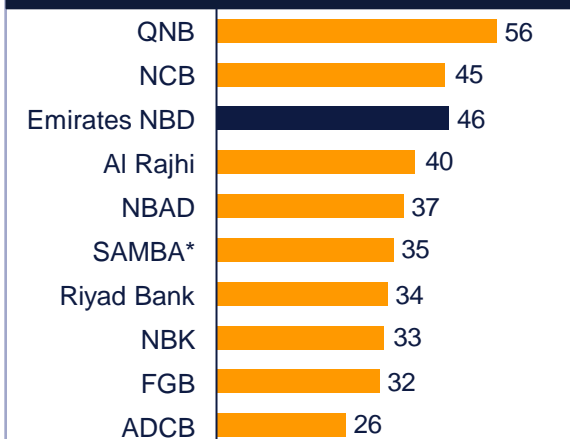
## UAE Ranking by Profits (AED Mn)



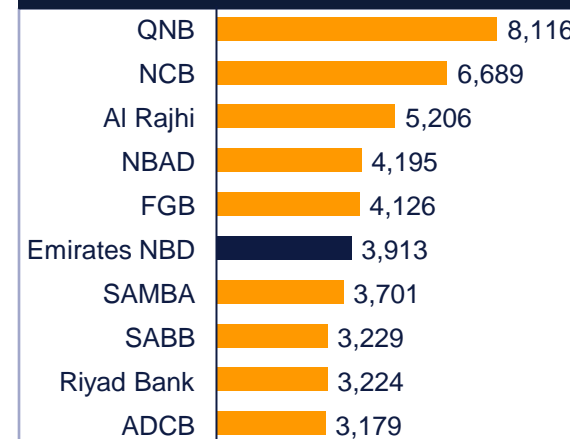
## GCC Ranking by Assets (AED Bn)



## GCC Ranking by Shareholder's Equity (AED Bn)



## GCC Ranking by Profits (AED Mn)



\*Data as on 30 Jun 2014; Source: Bank Financial Statements and Press Releases, Bloomberg

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Operating Environment

Emirates NBD Profile

**Financial and Operating Performance**

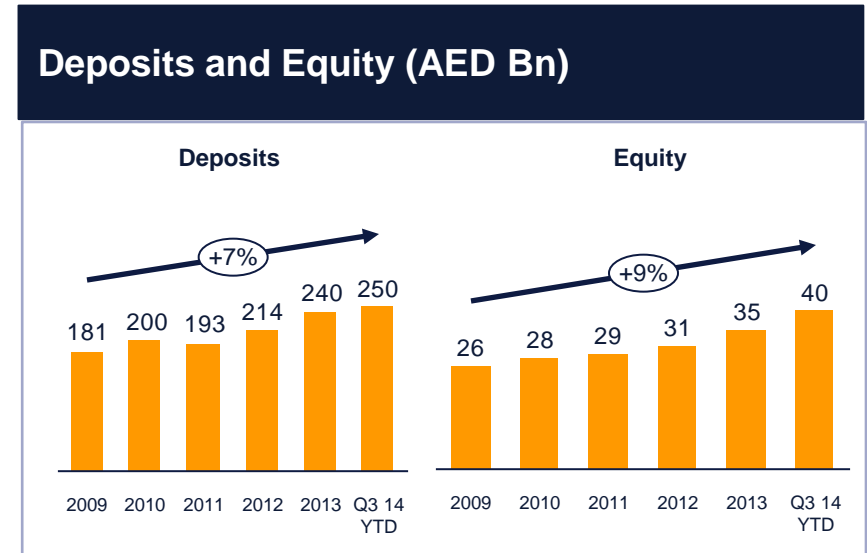
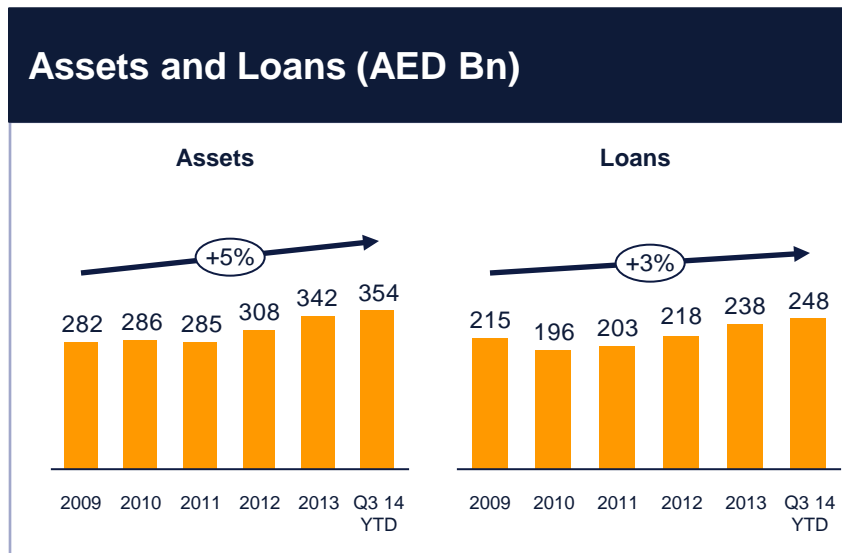
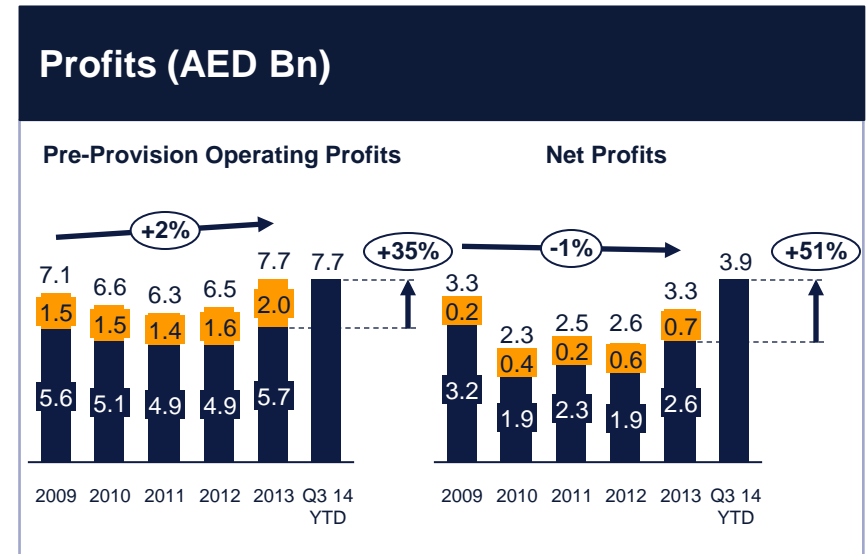
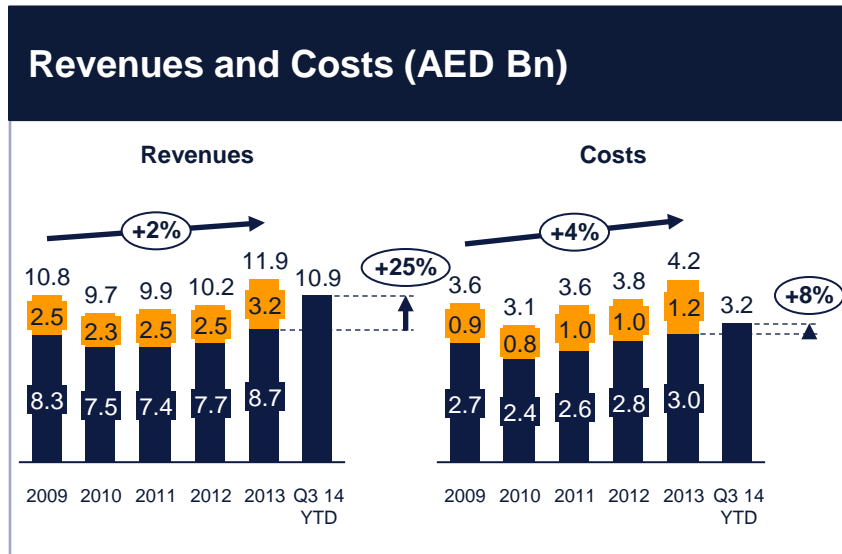
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# Profit and Balance Sheet Growth in Recent Years



Equity is Tangible Shareholder's Equity excluding Goodwill and Intangibles.; All P&L numbers are YTD, all Balance Sheet numbers are at end of period  
Source: Financial Statements

## Highlights

- Net profit of AED 3,913 Mn for Q3-14 YTD improved 51% y-o-y
- Net interest income rose 19% y-o-y helped by an improved asset mix due to retail and Islamic growth, a lower cost of funds helped by both CASA growth and a reduction in more costly time deposits and a contribution of 4% from Egypt
- Non-interest income improved 39% y-o-y boosted by increases in trade finance and foreign exchange income, brokerage & asset management fees and gains from the sale of investments and property. There was a contribution of 2% from Egypt
- Cost to income ratio improved 4.6% y-o-y to 29.5%. Excluding one-offs, cost to income ratio was 31.6%. Costs increased 8% y-o-y due to staff and occupancy costs linked with rising business volumes and partially offset by a control of professional fees and marketing costs. Egypt contributed 4.7% of the increase
- NPL ratio improved by 1.3% during 2014 to 12.6% as net impaired loans decreased by AED 1.7 Bn due to a sharp rise in repayments and recoveries
- Provisions of AED 3,831 Mn boosted the coverage ratio by 12.8% in 2014 to 70.3%
- AD ratio of 99.2% within 90-100% management range (97.3% excluding IPO leverage settled subsequent to Q3-14)
- NIMs improved 25 bps y-o-y to 2.83% due to improving asset and deposit mix and contribution from Egypt

## Key Performance Indicators

AED Mn	Q3-14 YTD	Q3-13 YTD	Better / (Worse)
Net interest income	7,024	5,915	19%
Non-interest income	3,863	2,780	39%
<b>Total income</b>	<b>10,887</b>	<b>8,695</b>	<b>25%</b>
Operating expenses	(3,212)	(2,967)	(8%)
<b>Pre-impairment operating profit</b>	<b>7,675</b>	<b>5,728</b>	<b>34%</b>
Impairment allowances	(3,831)	(3,400)	(13%)
<b>Operating profit</b>	<b>3,844</b>	<b>2,328</b>	<b>65%</b>
Share of profits from associates	159	101	57%
Gain on disposal of stake in associates/subsidiaries	-	191	(100%)
Taxation charge	(90)	(36)	(152%)
<b>Net profit</b>	<b>3,913</b>	<b>2,584</b>	<b>51%</b>
Cost: income ratio (%)	29.5%	34.1%	4.6%
Net interest margin (%)	2.83%	2.58%	0.25%

AED Bn	30-Sep-14	31-Dec-13	%
Total assets	353.9	342.1	3%
Loans	247.7	238.3	4%
Deposits	249.7	239.6	4%

## Highlights

- Net profit of AED 1,563 Mn for Q3 improved 102% y-o-y and 20% q-o-q
- Net interest income rose 9% y-o-y helped by an improved asset mix due to retail and Islamic growth, a lower cost of funds helped by both CASA growth and repayment of MOF Tier 2 deposit
- Non-interest income improved 55% y-o-y boosted by foreign exchange and derivative income and gains from the sale of investments and property
- Cost to income ratio improved 5.6% y-o-y to 27.9%. Excluding one-offs, cost to income ratio was 31.4%. Costs increased 2% y-o-y linked with rising business volumes and partially offset by a control of other costs
- NPL ratio improved by 0.9% during Q3 to 12.6% as net impaired loans decreased by AED 1.4 Bn due to a sharp rise in repayments and recoveries
- Provisions of AED 1,219 Mn boosted the coverage ratio by 5.6% q-o-q to 70.3%
- AD ratio of 99.2% within 90-100% management range (97.3% excluding IPO leverage settled subsequent to Q3-14)
- NIMs improved 12 bps y-o-y to 2.95% due to improving asset and deposit mix

## Key Performance Indicators

AED Mn	Q3-14	Q3-13	Better / (Worse)	Q2-14	Better / (Worse)
Net interest income	2,465	2,254	9%	2,327	6%
Non-interest income	1,380	891	55%	1,382	(0%)
<b>Total income</b>	<b>3,845</b>	<b>3,145</b>	<b>22%</b>	<b>3,709</b>	<b>4%</b>
Operating expenses	(1,075)	(1,053)	(2%)	(1,087)	1%
<b>Pre-impairment operating profit</b>	<b>2,770</b>	<b>2,091</b>	<b>32%</b>	<b>2,622</b>	<b>6%</b>
Impairment allowances	(1,219)	(1,515)	20%	(1,345)	9%
<b>Operating profit</b>	<b>1,552</b>	<b>576</b>	<b>169%</b>	<b>1,276</b>	<b>22%</b>
Share of profits from associates	38	34	10%	60	(37%)
Gain on disposal of stake in associates/subsidiaries	-	191	(100%)	-	n/a
Taxation charge	(27)	(26)	(3%)	(29)	7%
<b>Net profit</b>	<b>1,563</b>	<b>775</b>	<b>102%</b>	<b>1,308</b>	<b>20%</b>
Cost: income ratio (%)	27.9%	33.5%	5.6%	29.3%	1.4%
Net interest margin (%)	2.95%	2.83%	0.12%	2.78%	0.17%

AED Bn	30-Sep-14	31-Dec-13	%	30-Jun-14	%
Total assets	353.9	342.1	3%	348.3	2%
Loans	247.7	238.3	4%	241.8	2%
Deposits	249.7	239.6	4%	252.9	(1%)



## Highlights

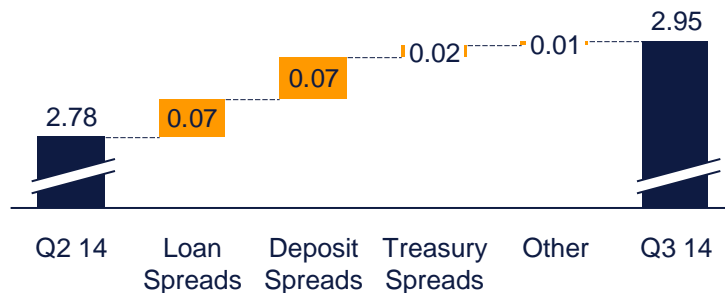
- NIMs improved 17 bps in Q3-14 and improved 25 bps from 2.58% in Q3-13 YTD to 2.83% in Q3-14 YTD
- Loan spreads improved in Q3 and y-o-y due to growth in higher yielding retail and Islamic assets
- Deposit spreads improved in Q3 due to CASA growth and repayment of Ministry of Finance Tier 2 deposit
- Treasury spreads improved y-o-y due to strong investment performance coupled with cheaper cost of wholesale funding
- We expect NIMs to finish 2014 at the high end of the guidance range of 2.7-2.8%

## Net Interest Margin (%)

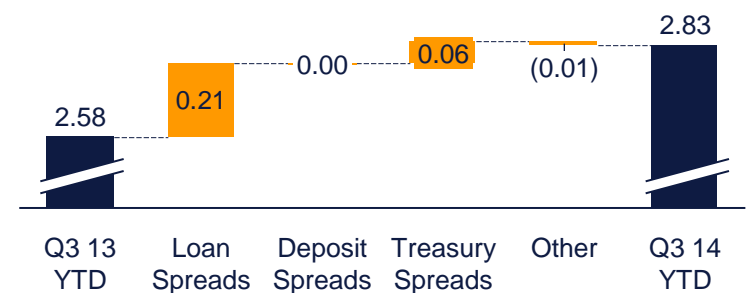


## Net Interest Margin Drivers (%)

Q3-14 vs. Q2-14



Q3-14 YTD vs. Q3-13 YTD



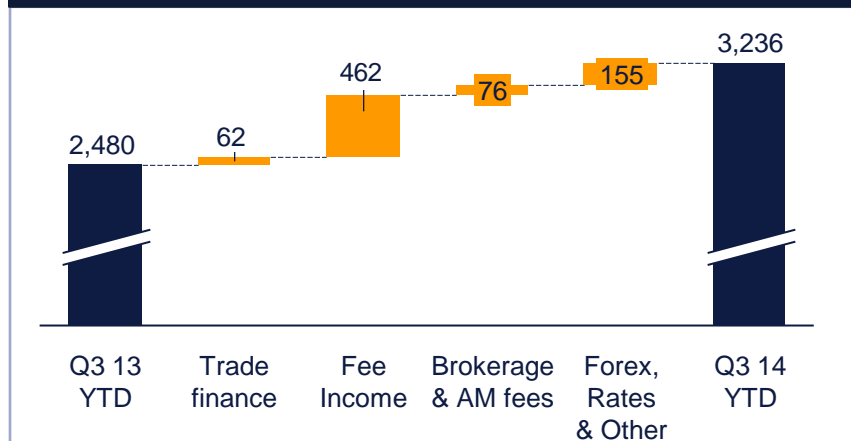
## Highlights

- Non-interest income improved 39% y-o-y due to a rise in all sources of fee income and income from sale of properties and investment securities
- Income from brokerage and forex & rates dropped in Q3 due to seasonal effects (fewer trades during Ramadan, summer and Eid holidays)
- Property income improved significantly helped by large sale of property inventory to Emirates REIT
- Investment securities income up 92% helped by further disposal of Union Property shares in Q3

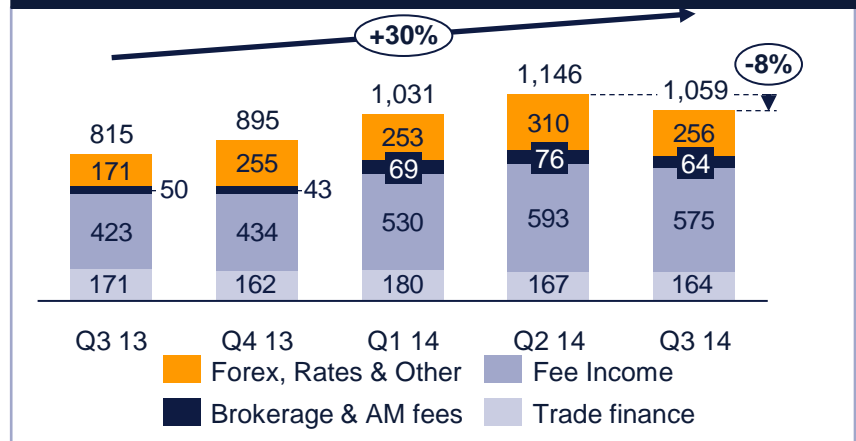
## Composition of Non Interest Income

AED Mn	Q3-14 YTD	Q3-13 YTD	Better / (Worse)
Core gross fee income	3,236	2,480	30%
Fees & commission expense	(551)	(321)	(72%)
<b>Core fee income</b>	<b>2,685</b>	<b>2,159</b>	<b>24%</b>
Property income / (loss)	510	272	88%
Investment securities	668	348	92%
<b>Total Non Interest Income</b>	<b>3,863</b>	<b>2,780</b>	<b>39%</b>

## Core Gross Fee Income Trends (AED Mn)



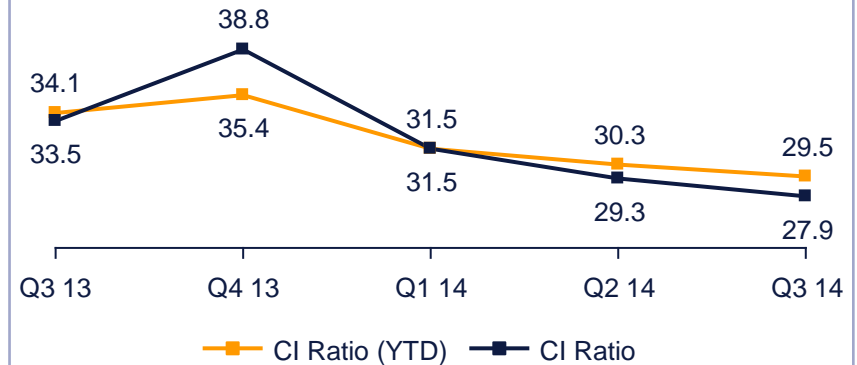
## Core Gross Fee Income Trends (AED Mn)



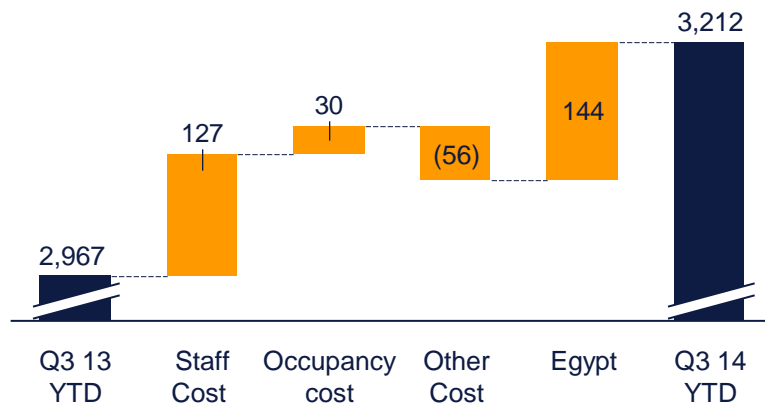
## Highlights

- Costs increased 2% y-o-y in Q3 but decreased 1% q-o-q
- Cost to Income Ratio improved by 1.4% q-o-q to 27.9% due to strong income growth and a control on costs. Adjusted for one-offs Cost to Income Ratio would be 31.6% for Q3-14 YTD and 31.4% for Q3-14
- The longer term management target for cost to income ratio is 33% which provides headroom for investments in future

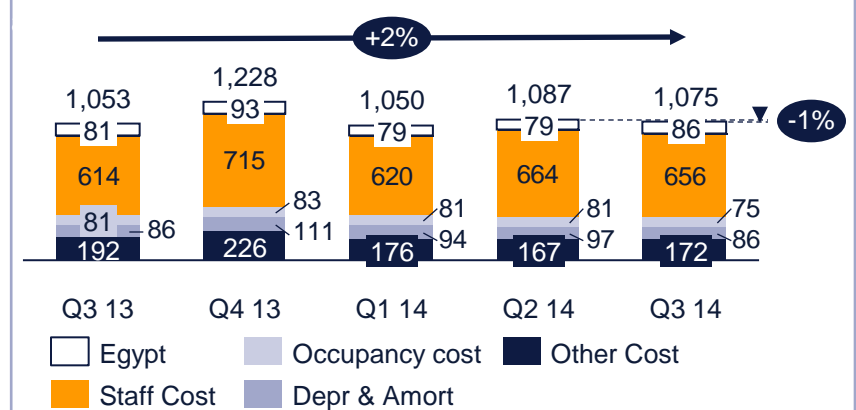
## Cost to Income Ratio Trends



## Operating Cost Trends (AED Mn)



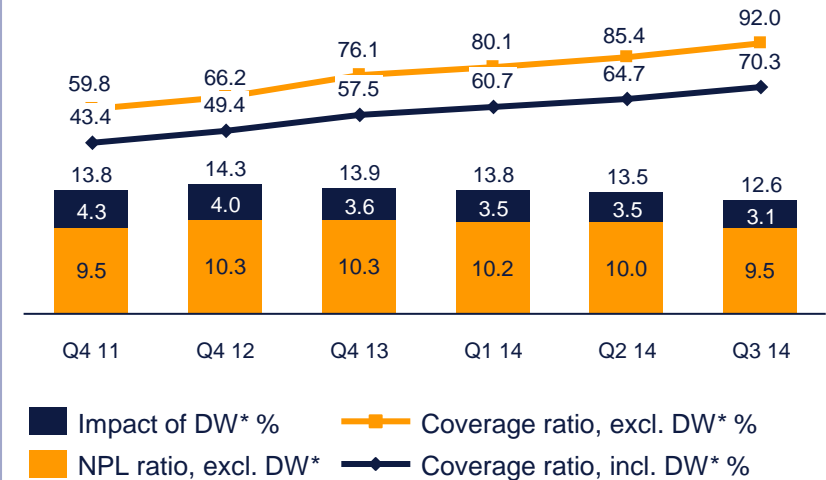
## Operating Cost Components (AED Mn)



## Highlights

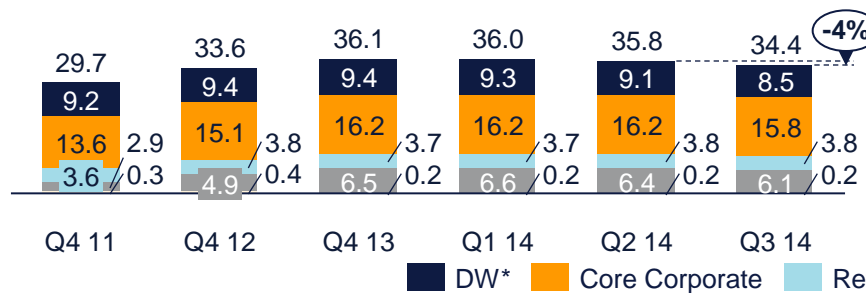
- NPL ratio improved by 0.9% q-o-q to 12.6%
- Net impaired loans decreased by AED 1.4 Bn in Q3 helped by repayments and recoveries
- Q3-14 YTD net impairment charge of AED 3.8 Bn driven by additional net specific Corporate and Islamic loan provisions
- Coverage ratio increased by 5.6% in Q3 to 70.3%
- At current rate of provisioning we will reach our 100% coverage target (excluding Dubai World) in early 2015

## Impaired Loan & Coverage Ratios (%)

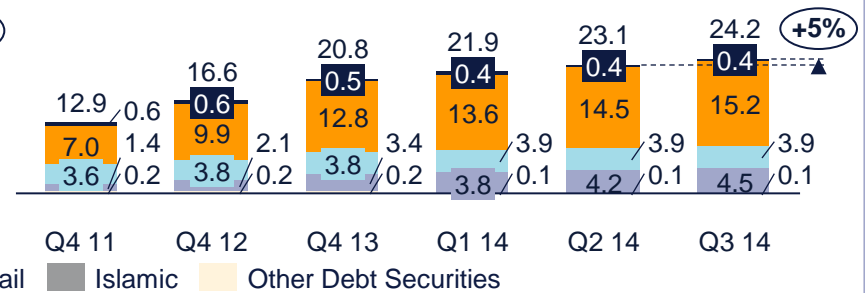


## Impaired Loans and Impairment Allowances (AED Bn)

### Impaired Loans



### Impairment Allowances

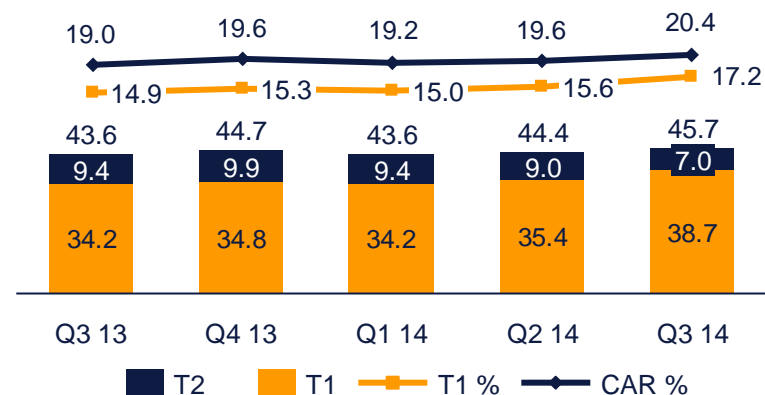


\*DW = exposure AED 8.54 Bn; provision AED 390 Mn

## Highlights

- CAR improved by 0.8% and Tier 1 ratio improved by 1.6% in Q3 due to:
  - Issuance of \$500m Tier 1 notes and retained earnings
  - Repayment of AED 4.8 billion of MOF Tier 2 deposits
  - Modest decrease in risk weighted assets
- Tier 1 ratio has improved by 1.9% during 2014
- Capital Management exercise successfully completed with the entire repayment of crisis era support

## Capitalisation



## Capital Movements (AED Bn)

FY 13 to Q3-14 YTD (AED Bn)	Tier 1	Tier 2	Total
<b>Capital as at 31-Dec-2013</b>	<b>34.7</b>	<b>9.9</b>	<b>44.6</b>
Net profits generated	3.9	-	3.9
FY 2013 dividend paid	(1.4)	-	(1.4)
Tier 1 Issuance	1.8	-	1.8
Repayment of Tier 2	-	(2.9)	(2.9)
Amortisation of MOF T2 / sub debt	-	-	-
Interest on T1 securities	(0.4)	-	(0.4)
Tier 2 Issuance	-	0.1	0.1
Repayment of subordinated debt	-	-	-
Goodwill	0.1	-	0.1
Other	-	(0.1)	(0.1)
<b>Capital as at 30-Sep-2014</b>	<b>38.7</b>	<b>7.0</b>	<b>45.7</b>

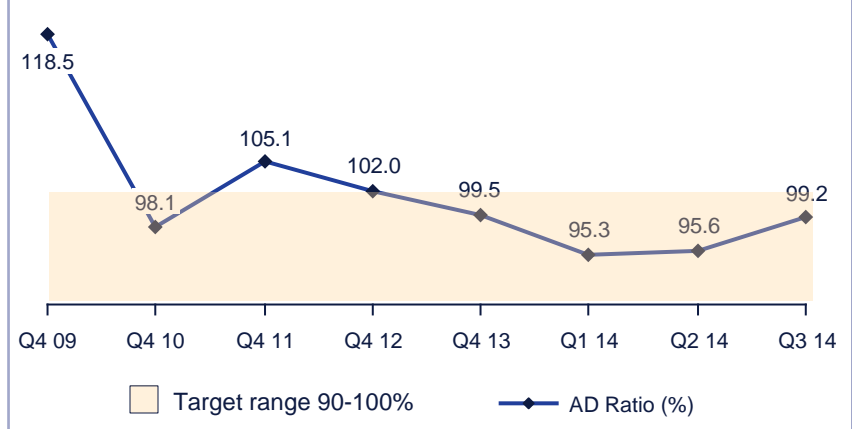
## Risk Weighted Assets – Basel II (AED Bn)



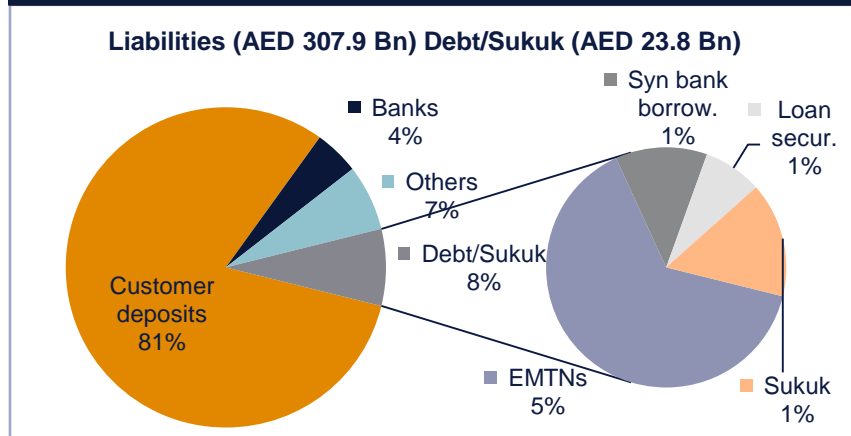
## Highlights

- AD ratio of 99.2% within 90-100% management target range (97.3% excluding IPO leverage settled subsequent to the quarter)
- Liquid assets\* of AED 45.4 Bn at Q3-14 (14.7% of total liabilities)
- Emirates NBD is first MENA institution to raise funds in NZD market. Cheapest 5-year funding that the bank has raised in the last 6 years
- Modest maturity profile affords Emirates NBD ability to consider public and private debt issues opportunistically

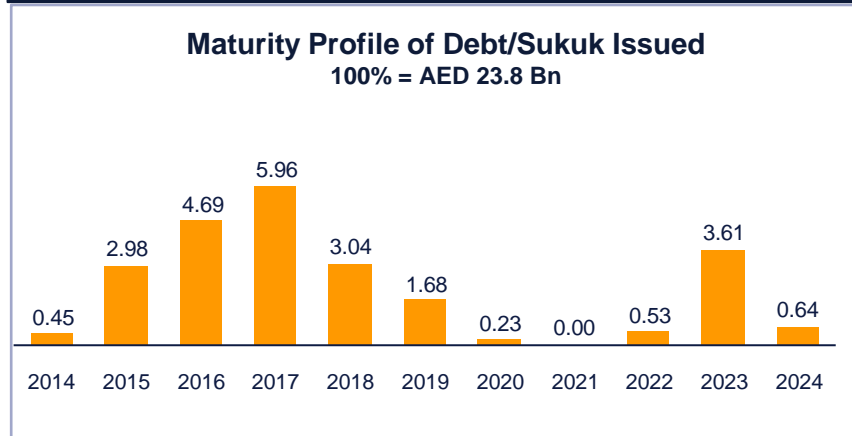
## Advances to Deposit (AD) Ratio (%)



## Composition of Liabilities/Debt Issued (%)



## Maturity Profile of Debt Issued (AED Bn)



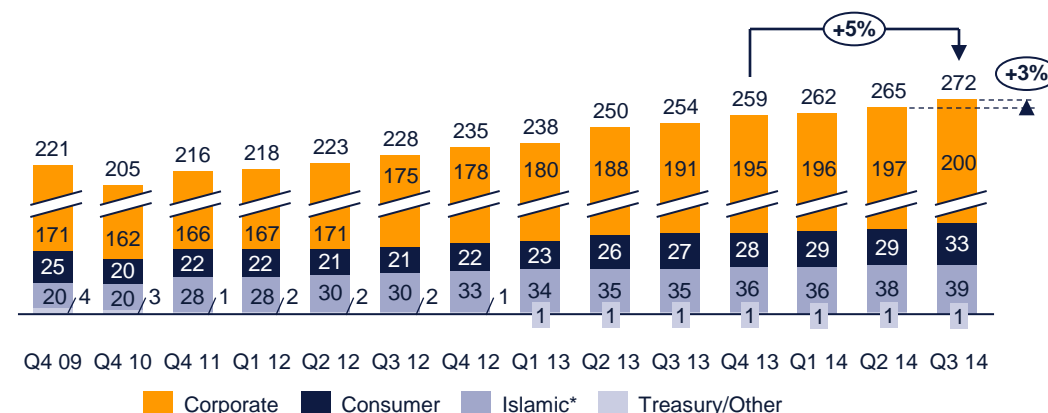
\*including cash and deposits with Central Banks but excluding interbank balances and liquid investment securities

## Highlights

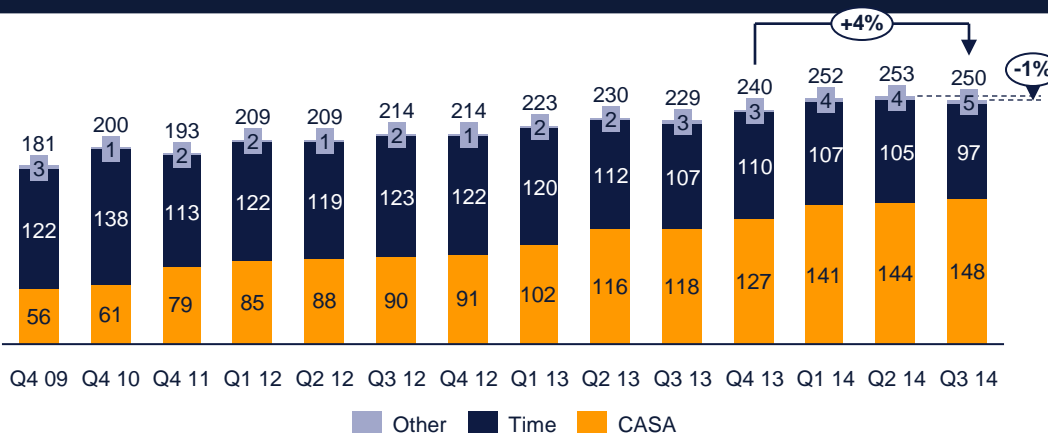
- Gross loans increased by 3% q-o-q and by 5% from end 2013
- Consumer lending grew 13% q-o-q and by 18% from end 2013, temporarily inflated by IPO leverage effect
- Islamic financing grew 2% q-o-q and by 8% from end 2013

- Deposits decreased by 1% q-o-q due to repayment of AED 4.8 Bn of MOF T2 deposits.
- CASA grew 2% q-o-q and by 16% from end 2013
- CASA deposits as a percentage of total deposits have increased to 59% in Q3-14 from 43% at the end of 2012

## Trend in Gross Loans by Type (AED Bn)

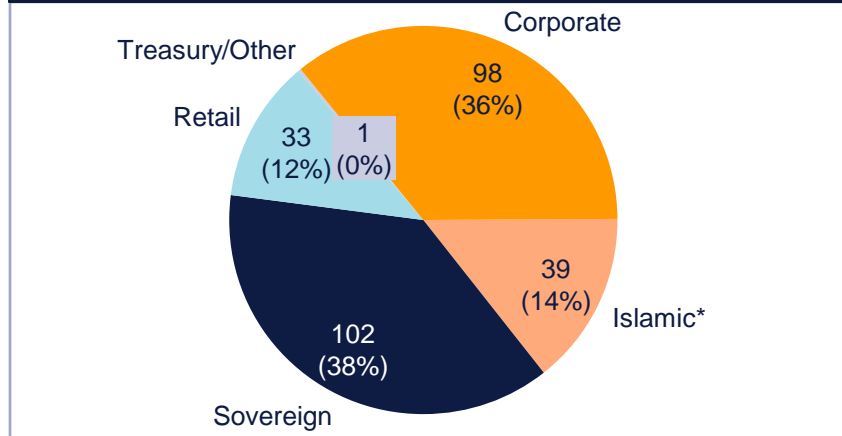


## Trend in Deposits by Type (AED Bn)

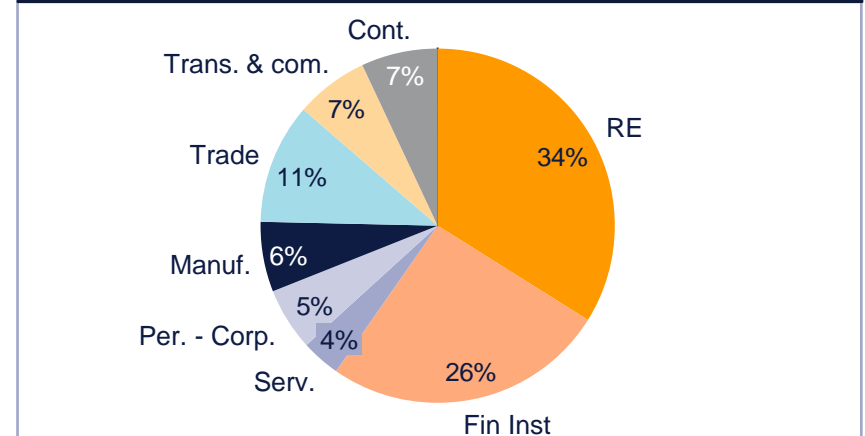


\* Gross Islamic Financing Net of Deferred Income

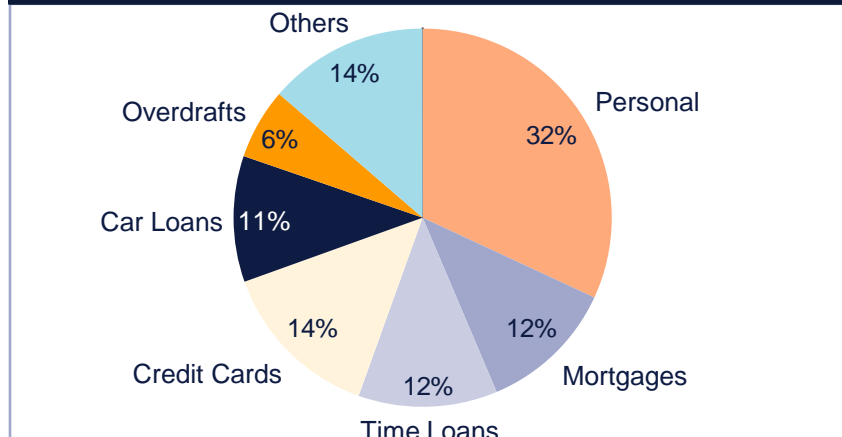
## Total Gross Loans (AED 272 bn)



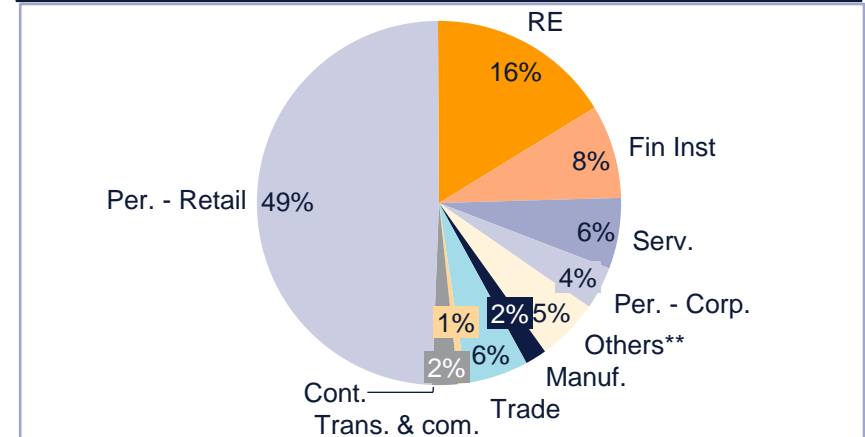
## Corporate Loans (AED 98 bn)



## Retail Loans (AED 33 bn)



## Islamic\* Loans (AED 39 bn)



\*Islamic loans net of deferred income; \*\*Others include Agriculture and allied activities and Mining and quarrying



## Highlights

- Union Properties (UP) no longer classified as Associate:
  - During 2013, ENBD disposed of 32.6% of UP shares in the market
  - Since percentage of holding is less than 20%, ENBD does not have significant influence in UP
  - UP holding has therefore been accounted as AFS investment from 21 August 2013
- Network International accounted for as a jointly controlled entity from the start of 2011 with a carrying value of AED 1.5 Bn
- 24.8% stake in Bank Islami Pakistan acquired as part of Dubai Bank

## Composition of Associates and Joint Ventures

### Income Statement

AED Mn	Q3 14 YTD	Q3 13 YTD	Better / (Worse)	Q3 14	Q3 13	Better / (Worse)
National General Insurance	15	32	(53%)	6	8	(25%)
Network International	81	68	19%	31	26	19%
Bank Islami Pakistan	3	1	200%	2	0	n/a
<b>Total</b>	<b>99</b>	<b>101</b>	<b>(2%)</b>	<b>39</b>	<b>34</b>	<b>15%</b>

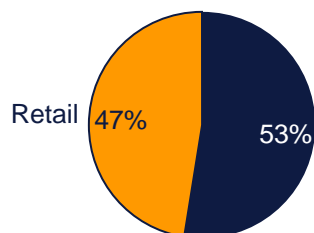
### Balance Sheet

AED Mn	30-Sep-14	31-Dec-13	Better / (Worse)	30-Jun-14	Better / (Worse)
National General Insurance	191	160	20%	186	3%
Network International	1,517	1,451	5%	1,486	2%
Bank Islami Pakistan	23	20	16%	20	15%
<b>Total</b>	<b>1,732</b>	<b>1,631</b>	<b>6%</b>	<b>1,692</b>	<b>2%</b>

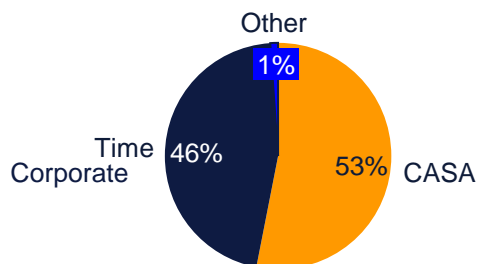
## Highlights

- Full service commercial banking platform:
  - Corporate Banking: focused on large corporate and MNCs; serves c.4,000 clients
  - Retail Banking: High growth segment; serves c.246,000 clients
- Wide presence in Egypt through 62 branches and 187 ATMs
- Financially sound with robust profitability and a healthy balance sheet
- Improving Cost to Income Ratio

**Net Loans**  
100% = AED 3.5 Bn



**Deposits**  
100% = AED 9.6 Bn



## Financials

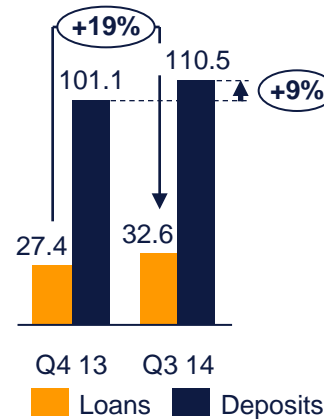
AED Mn	Year 2013 (from 09-June-13)	Q3-14 YTD
Net interest income	225	347
Non-interest income	133	159
<b>Total income</b>	<b>358</b>	<b>506</b>
Operating expenses	(193)	(243)
<b>Pre-impairment operating profit</b>	<b>165</b>	<b>263</b>
Impairment allowances	(22)	(22)
<b>Operating profit</b>	<b>143</b>	<b>241</b>
Taxation charge	(30)	(74)
<b>Net profit</b>	<b>113</b>	<b>167</b>

AED Bn	31-Dec-13	30-Sep-14
Net Loans	3.7	3.5
Deposits	9.0	9.6
Impaired Loan Ratio (%)	0.2%	0.52%
Cost to Income Ratio (%)	53.8%	48.1%

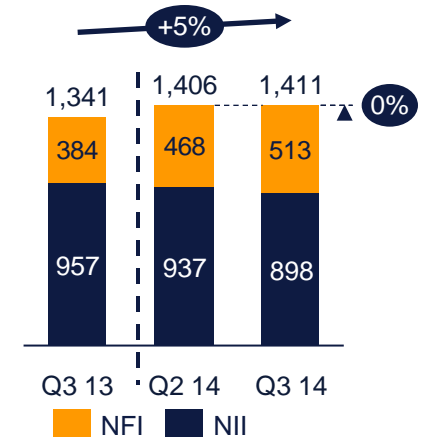
## Retail Banking & Wealth Management

- Revenue improved 5% y-o-y and remained stable q-o-q.
- Deposits grew 9% from end 2013 driven by CASA growth
- Loans grew 19% from end 2013 driven by growth in credit cards, overdrafts and temporary IPO leverage effect.
- The bank has improved its distribution as part of its channel optimization strategy and had 525 ATMs and 99 branches as at 30-September

### Balance Sheet Trends AED Bn



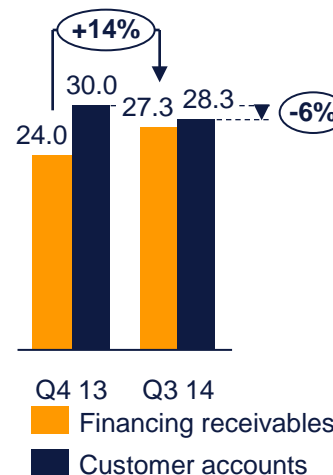
### Revenue Trends AED Mn



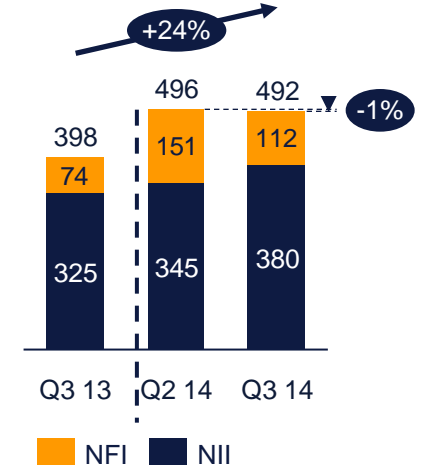
## Islamic Banking

- Islamic Banking revenue improved 24% y-o-y but declined 1% q-o-q to AED 492 Mn in Q3
- Financing receivables grew by 14% in 2014 mainly due to increases in Murabaha financing
- Customer accounts declined by 6% in 2014 mainly due to repayment of MoF Tier 2 deposits
- At Q3-14, EI had 56 branches and ATM & CDM network of 179
- Islamic Banking business continues to develop through a strengthened core franchise coupled with an expansion of retail, SME, and corporate offerings

### Balance Sheet Trends AED Bn



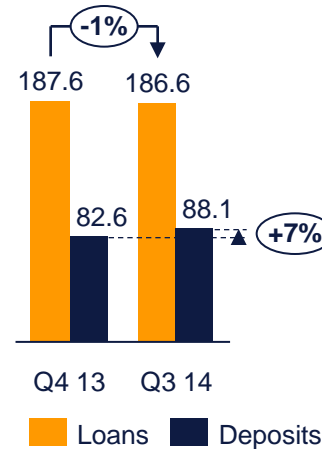
### Revenue Trends AED Mn



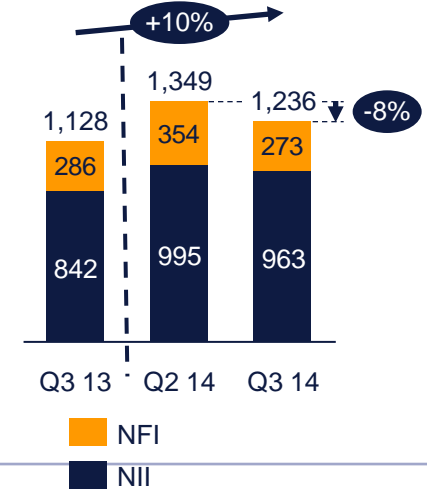
## Wholesale Banking

- Wholesale Banking revenues declined 8% q-o-q but grew 10% y-o-y
- Loans dropped by 1% from end 2013 as normal loan repayments offset new underwriting
- Deposits grew by 7% from end 2013
- Focus during 2014 was on enhancing customer service quality in key sectors, share of wallet, increased cross-sell of Treasury and Investment Banking products and larger Cash Management and Trade Finance penetration

### Balance Sheet Trends AED Bn



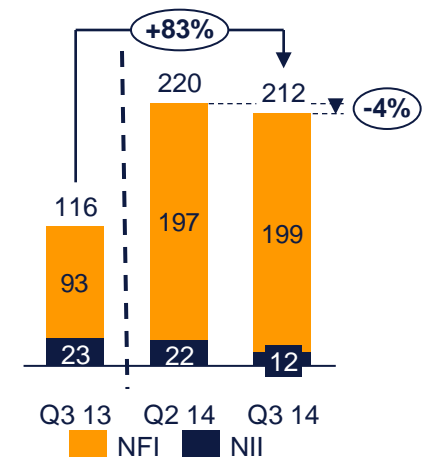
### Revenue Trends AED Mn



## Global Markets & Treasury

- Revenue at AED 212 Mn in Q3-14 declined by 4% q-o-q but improved 83% y-o-y
- Y-o-y growth due to robust increase in sales revenue and strong performance by Credit Trading desk.
- In 2014 we continue to see higher income from investments

### Revenue Trends AED Mn



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Operating Environment

Emirates NBD Profile

Financial and Operating Performance

**Strategy**

Outlook

Appendix

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# Emirates NBD strategy built on 5 core building blocks

## VISION

To be globally recognized as the most valued financial services provider based in the Middle East.

## MISSION

Everyday we make our customers' life simpler by providing solutions that help them fulfill their financial aspirations.



## 2013 Achievements

## 2014 Priorities



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Operating Environment

Emirates NBD Profile

Financial and Operating Performance

Strategy

**Outlook**

Appendix

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## Economic Outlook

- 2014 GDP growth expectations for the UAE have been revised upwards to 5% due to a strong expansion in the non-oil private sector.
- 2014 GDP growth expectations also revised upwards to 5% for Dubai as manufacturing, hospitality, transport and logistics expanded robustly. Buoyant real estate and construction sectors will also boost growth
- In 2014 Dubai residential property price growth slowed significantly for villas and apartments
- Inflation expected to rise to 3% in 2014 from 1.1% in 2013 on the back of higher housing costs and higher input prices
- Emirates NBD has improved its capital and funding profile allowing it to take advantage of the expected future growth in Dubai and the region
- As Dubai continues to grow we expect a further positive trend in impaired loans leading to a stronger balance sheet

## Profitability

- Pre-impairment operating profit of AED 7,675 Mn in Q3-14 YTD, up 34% y-o-y
- Net profit of AED 3,913 Mn improved 51% y-o-y

## Credit Quality

- NPL ratio improved by 0.9% to 12.6% in Q3-14 due to strong recoveries

## Provisions

- Net impairment allowances of AED 3,831 Mn in Q3-14 YTD have boosted the coverage ratio to 70.3%, up 12.8% from end-2013

## CI Ratio

- Cost to Income ratio improved by 4.6% y-o-y to 29.5% in Q3-14 YTD
- Q4-14 spend is expected to grow as we invest in systems and people to support future business growth

## Income

- Total income improved 25% y-o-y to AED 10,887 Mn helped by an improving asset mix, efficient funding & capital base and strong fee income

## Net Interest Margin

- NIMs improved to 2.83% in Q3-14 YTD

## Capital and Liquidity

- Capital and liquidity position extremely strong offering resilience for the future
- Tier 1 ratio improved by 1.9% during 2014 to 17.2%

## Outlook

- The Bank will continue to implement its successful strategy and consolidate our position as a dominant player in the UAE and the region

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Operating Environment

Emirates NBD Profile

Financial and Operating Performance

Strategy

Outlook

**Appendix**

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## Best Bank and Best Regional Bank Awards

- 'Best Local Bank – United Arab Emirates' at the 2014 annual Euromoney Private Banking and Wealth Management Survey
- 'Best Consumer Credit Product award' and 'Best Risk Management award' for its Personal Loan business at the 2014 Asian Banker's 'International Excellence in Retail Financial Services Awards'
- 'Middle East Regional Bank of the Year' at the International Financing Review (IFR) Middle East Awards 2013
- 'Bank of the Year' at Gulf Business industry Awards 2014
- Emirates NBD Investment Bank ranked as the leading arranger of USD Sukuk globally according to league tables published by Bloomberg
- 'Best Consumer Internet Bank for the UAE' by Global Finance magazine's World's Best Internet Banks Award. Winner of the 'Best Mobile Banking App' for the MEA region

## Asset Management and Consumer Finance Awards

- 'UAE Asset Manager of the Year' for second consecutive year, at the 5th annual MENA Fund Manager Performance Awards 2014
- 'MENA Equity Fund of the Year' for the Emirates MENA Top Companies Fund, at the 5th annual MENA Fund Manager Performance Awards 2014
- 'Balanced Fund of the Year' for the Emirates MENA Opportunities Fund, at the 5th annual MENA Fund Manager Performance Awards 2014
- "Best Investment Management Company 2014, UAE" at the World Finance Investment Management Awards 2014

## Treasury, Emerging and Capital Markets Awards

- 'UAE's "Best Foreign Exchange Provider 2014" by Global Finance
- "Best Treasury Management Project" award in the Middle East at the Asian Banker Middle East Banking Products and Projects 2014 Awards
- 'Most impressive emerging market financial institution borrower' by Global Capital (formerly Euroweek) at the Global Capital Bond Awards 2014
- 'Best debt house' at EMEA Finance's Middle East Banking Awards 2013

### Marketing, Social Media and Customer Engagement Awards

- Ranked 25 on the Power 100 Social Media Rankings compiled by The Financial Brand
- Wins a 'Silver' and 'Bronze' award in the Social Media category, at the 2014 Dubai Lynx Awards
- 'Social Brand of the Year' at MENA Digital Awards
- "Best Social Media Engagement" award at the Asian Banker Middle East Banking Products and Projects 2014 Awards
- 'Banking & Finance Customer Care Excellence Award' at the 8th annual Middle East Government and Business Customer Care Excellence Awards 2014
- 'Best New Card' and 'Best Customer Engagement Program' at the Smart Cards Middle East 2014
- 'Best Sports Marketing Campaign' at Sports Industry Awards
- Marketing Campaign of the Year, Best Use of Social Media, Brand Excellence in Financial Services, Effective Use of Marketing Communications at the Global Brand Excellence Awards 2014.

### Card Awards

- Emirates NBD Man Utd Card Awarded 'Best International Sports Affinity Co-brand Card in the UAE for 2013' by MasterCard

### Other Awards

- Emirates Money named the "Best Non-Bank Consumer Finance Business" at the Asian Banker Middle East Banking Products and Projects 2014 Awards
- Emirates NBD Ranked No.1 in the Gulf News honors list for handling of customer issues.
- Emirates NBD received four 'Excellence in Practice' citations from American Society for Training and Development (ASTD) for training programs at the bank.

# Large Deals Concluded in 2014

**WAHA CAPITAL PJSC**

الواحة كابيتال  
WAHA CAPITAL

**USD 750,000,000**


**TERM AND REVOLVING FACILITIES**

**MARCH 2014**

*Mandated Lead Arranger & Bookrunner*



**EMIRATES CENTRAL COOLING SYSTEMS CORPORATION**




**EMPOWER ENERGY SOLUTIONS**

**USD 600,000,000**

**TERM LOAN FACILITY**

**MARCH 2014**

*Mandated Lead Arranger and Book runner*



**ALLANA INTERNATIONAL LIMITED**



**IFFCO**

**USD 450,000,000**

**TERM AND REVOLVING CREDIT FACILITIES**

**APRIL 2014**

*Initial Mandated Lead Arranger & Bookrunner*



**EMIRATES TELECOMMUNICATIONS CORPORATION**



**etisalat**

**EUR 3,150,000,000**


**MULTI CURRENCY TERM LOAN FACILITY**

**APRIL 2014**

*Mandated Lead Arranger*



**TAWEELAH ALUMINIUM EXTRUSION COMPANY (TALEX) LLC**




**TALEX**

**USD 140,000,000**

**TERM LOAN FACILITY**

**MAY 2014**

*Mandated Lead Arranger*



**MERCURIA**



**MERCURIA**

**USD 2,650,000,000**


**REVOLVING CREDIT FACILITY**

**JUNE 2014**

*Mandated Lead Arranger*



**SEKERBANK**




**Şekerbank**

**USD 32,000,000 AND EUR 55,500,000**


**DUAL CURRENCY TERM LOAN FACILITY**

**JUNE 2014**

*Mandated Lead Arranger*



**TURKIYE FINANS KATILIM BANKASI**




**Türkiye Finans**

**USD 253,500,000 AND EUR 72,000,000**

**SYNDICATED DUAL CURRENCY MURABAHA FINANCING FACILITY**


**JUNE 2014**

*Initial Mandated Lead Arranger, Joint-Coordinator and Bookrunner*



# Large Deals Concluded in 2014

**DANA GAS EXPLORATIONS FZE**




**USD 100,000,000**


**DUAL TRANCHE TERM LOAN AND MURABAHA FACILITY**

**JUNE 2014**

*Initial Mandated Lead Arranger, Bookrunner and Co-ordinator*



**B.B. ENERGY**




**USD 175,000,000**

**REVOLVING CREDIT FACILITY**

**JUNE 2014**

*Mandated Lead Arranger*



**ALBARAKA TURK KATILIM BANKASI**



**USD 151,000,000 AND EUR 54,400,000**


**SYNDICATED DUAL CURRENCY MURABAHA FINANCING FACILITY**

**SEPTEMBER 2014**

*Initial Mandated Lead Arranger, Joint-Coordinator and Bookrunner*



**ATLANTIS THE PALM LIMITED**



**USD 750,000,000**

**CREDIT FACILITY**


**AND**

**USD 350,000,000**

**COMMODITY MURABAHA FACILITY**

**SEPTEMBER 2014**

*Initial Mandated Lead Arranger, Intercreditor Agent, Facility Agent and Security Agent*



**PT GARUDA INDONESIA (PERSERO) TBK**



**USD 200,000,000**

**SENIOR UNSECURED AMORTISING TERM LOAN FACILITY AND PURCHASE OF RIGHTS AND SERVICES FACILITY**

**AUGUST 2014**

*Mandated Lead Arranger and Bookrunner*



**GUNVOR S.A.**



**USD 345,000,000**

**UNCOMMITTED BORROWING BASE FACILITIES AGREEMENT**

**JULY 2014**

*Mandated Lead Arranger*



**LAMPRELL PLC**



**UPTO USD 750,000,000**

**MULTI TRANCHE FACILITIES**

**AUGUST 2014**

*Mandated Lead Arranger*



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